

June 3, 2011

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ace group

JUN - 6 2011

ACE Group Regulatory Compliance Routing Office of General Counsel - WB04G 510 Walnut Street Philadelphia, PA 19106

Theresa Boyce

215-640-4986 fax

215-640-1811 tel

theresa.boyce@acegroup.com www.acegroup.com

STATE OF ILLINOIS DEPARTMENT OF INSURANCE SPRINGFIELD

Medical Risk Product Manager/Filing Manager

FILED

JUN 1 1 2012

itate of Illinois

Ms. Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
320 West Washington Street

Re:

Company

Springfield, Illinois 62767

ACE USA #0626

NAIC# 22667 FEI

FEIN FL# 09271

ACE American Insurance Company
Dentists Professional Liability Rules Filing

Our Filing Number: 11-MR-2009465(R)

Dear Ms. Neuman:

We are filing to revise our Dental Professional and General Liability rules, (approved under prior filing 00-PR-146, on November 1, 2000) to provide simple and clear statements of coverage and to remain consistent with other ACE Medical Risk products. Several clarification and formatting changes have been made to the rules to complement various changes made in our corresponding form filing without change in intent. There is no rate impact to any of the proposed rule enhancements.

Our company has a plan for the gathering of statistics or the reporting of statistics, to Insurance Services Office.

Our corresponding forms filing, 11-MR-2009465(F), was submitted on March 21, 2011 via SERFF, under SERFF tracking number ACEH-127082014, and is pending.

These changes are applicable to all policies effective on or after July, 1, 2011.

Sincerely,

Theresa Boyce

Theresa Boyce

HO MEM RUL Ofth

Neuman, Gayle

From:

McBride, Viola [Viola.McBride@acegroup.com]

Sent:

Monday, June 11, 2012 6:41 AM

To:

Neuman, Gayle

Subject:

FW: ACE American Ins Co - Filing #11-MR-2009465(R)

Importance:

High

Dear Ms. Neuman,

The above-captioned filing has not been placed into effect. We request a June 11, 2012 effective date. Thank you.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Friday, June 08, 2012 10:32 AM

To: Boyce, Theresa E

Subject: ACE American Ins Co - Filing #11-MR-2009465(R)

Ms. Boyce

The Department of Insurance has now completed its review of the filing referenced above. Originally, ACE American requested the filing be effective July 1, 2011. Was the filing put in effect on July 1, 2011 or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance

Property & Casualty Compliance

(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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ACE American Insurance Company Illinois **Allied Health Actuarial Certification**

Statement of Actuarial Opinion

215 ILCS 5/155.18

In my opinion, the rates proposed in this filing are based on sound actuarial principles and are not inconsistent with the company's experience.

Name:

Nanette Tingley

Title:

Vice President and Actuary

Manette Tengley

Accreditation: A.C.A.S., M.A.A.A.

Date:

August 22, 2011

Signature:



ACE Group

215-640-1811 tel Regulatory Compliance 215-640-4986 fax

Routing Office of General

Counsel - WB04G 510 Walnut Street

theresa.boyce@acegroup.com

www.acegroup.com

Philadelphia, PA 19106

Theresa Boyce

Medical Risk Product Manager/Filing Manager

January 6, 2012

Neetha M. Mamoottile **Actuarial Analyst** Illinois Department of Financial & Professional Regulation 320 West Washington Street Springfield, Illinois 62767

Re:

Company

ACE USA #0626

NAIC# 22667

FEIN

ACE American Insurance Company

Dentists Professional Liability Rules Filing

Our Filing Number: 11-MR-2009465(R)

95-2371728

Dear Ms. Mamoottile:

This is in response to your e-mail of 12-22-11 Enclosed is a revised Actuarial Certification which includes the signature of the certifying actuary and company officer. We've also included a Biographical Affidavit for Bob Reilly (company officer) as you requested.

I hope the above response sufficiently addresses your concerns. Please contact me at the above address or number if you need additional information.

Sincerely,

Theresa Boyce Theresa Boyce

Attach.

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JAN 1 3 2012

STATE OF ILLINOIS DEPARTMENT OF INSURANCE SPRINGFIELD

ACE American Insurance Company Illinois Allied Health Actuarial Certification

Statement of Actuarial Opinion

215 ILCS 5/155.18

In my opinion, the rates proposed in this filing are based on sound actuarial principles and are not inconsistent with the company's experience.

Name:

Nanette Tingley

Title:

Vice President and Actuary

Manette Tingley

Robert J. Veilly

Accreditation:

A.C.A.S., M.A.A.A.

Date:

January 4, 2012

Signature:

Name:

Robert Reilly

Title:

Asst. Vice President

Date:

January 4, 2012

Signature:

Neuman, Gayle

From:

Boyce, Theresa E [Theresa.Boyce@acegroup.com]

Sent:

Tuesday, August 23, 2011 9:13 AM

To:

Neuman, Gayle

Subject:

RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Attachments:

CW Dental Rules- Final _03-10_ marked up.pdf; Dental Prof - Illinois Rate Page mark up.pdf;

IL Statement of Actuarial Opinion.pdf

Gayle:

Attached are our marked-up Dental Manual and Rate pages, and Actuarial Certification you requested. I hope this information satisfactorily addresses your concerns. Let me know if you need additional information.

Thank you.

Theresa Boyce
Manager
ACE Group
Office of General Counsel
Product Line Support- WB04G
P.O. Box 1000
Philadelphia, PA 19105-1000

Phone: 215.640.1811 Fax: 215.640.4986

Email: theresa.boyce@acegroup.com

From: Boyce, Theresa E

Sent: Monday, August 22, 2011 2:47 PM

To: 'Neuman, Gayle'

Subject: RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Gayle:

I apologize for the delay in responding to your original request. Somehow, I overlooked your request and failed to obtain the appropriate Actuarial Certification. I've made the request to our Actuarial department today and I'm hoping to have the certification available within the next two days.

I appreciate your patience and consideration on this matter,

Thank you

Theresa Boyce
Manager
ACE Group
Office of General Counsel
Product Line Support- WB04G
P.O. Box 1000
Philadelphia, PA 19105-1000

Phone: 215.640.1811 Fax: 215.640.4986

Email: theresa.boyce@acegroup.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Thursday, August 18, 2011 3:38 PM

To: Boyce, Theresa E

Subject: FW: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Ms. Boyce,

I am unaware of your reply to the attached e-mail. Please provide your response by August 25, 2011.

Gayle Neuman

Illinois Department of Insurance (217)524-6497

From: Neuman, Gayle

Sent: Tuesday, June 07, 2011 10:23 AM

To: theresa.boyce@acegroup.com

Subject: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Ms. Boyce,

215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

Additionally, pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings is required. Please overstrike material that was deleted/changed and underline material that was added.

I request receipt of your response by June 21, 2011.

Gayle Neuman

Illinois Department of Insurance Property & Casualty Compliance (217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages will govern the writing of Professional Liability policies and General Liability policies for the dental profession.
- B. The rates, rating plans and forms filed on behalf of the Company will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.
- B. Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.
- C. Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

The minimum premium will be \$250 per annual or lesser period.

VI. WHOLE DOLLAR RULE

The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- A. Any amount involving \$/50 or over will be rounded to the next highest whole dollar amount;
- B. Any amount involving \$.49 or less will be rounded to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$15 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUM

A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.

- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. COVERAGES

Required coverages under this program are:

- A. Professional Liability is available on a Claims-Made basis.
- B. General Liability and other ancillary coverages are on an occurrence basis.

X. LIMIT OF LIABILITY OPTIONS

A. Minimum limit available is \$100,000/\$300,000. Higher limits may be offered up to \$5 Million/\$7 Million by using the Policy Limit Factors displayed in the state exception page.

XI. POLICY CANCELLATIONS

- A. The policy may be canceled flat by the Company or the insured within 60 days of the effective date. Evidence of insured cancellation must be received by the Company within 60 days of such cancellation intent.
- B. Any cancellation initiated, other than by the insured, after 60 days will be canceled pro-rata.
- C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

XII. EXTENDED REPORTING PERIOD COVERAGE

A. BASIC EXTENDED REPORTING PERIOD

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. This automatic extension will provide an additional period of time in which to report claims to the Company that arise from dental incidents that take place subsequent to the Retroactive Date and before the end of the policy period.

The Basic Extended Reporting Period does not apply to claims that are covered under any other insurance purchased after the expiration of our policy, or to claims that would be covered but for the exhaustion of any subsequently purchased insurance applicable to such claims.

B. SUPPLEMENTAL EXTENDED REPORTING PERIOD

The Supplemental Extended Reporting Period is unlimited and its availability will be governed by the following rules:

- 1. The Limits of Liability may not exceed those afforded under the terminating claims-made policy.
- 2. Supplemental Extended Reporting Period Coverage will be available to named insureds shown on the Declarations page of the terminating claims-made policy. Should a Named Insured terminate association with an entity and obtain Supplemental Extended Reporting Period Coverage, the entity may also be provided a Supplemental Extended Reporting Period but only if the entity was also insured by the Company.
- 3. Upon termination of the claims-made policy, all named insureds shown on the Declarations page may purchase this coverage by giving the Company written notice of intent to purchase within 60 days following the termination date of their claims-made policy, and paying the appropriate premium.

- 4. Upon termination of coverage of the claims-made policy by reason of death, the deceased's unearned premium for this coverage will be waived and Supplemental Extended Reporting Period Coverage will be provided at no additional charge.
- 5. There will be no charge for Supplemental Extended Reporting Period Coverage under the following circumstances:
 - a. Insured meets the following Total Disability requirements:
 - Totally and continuously disabled for at least 6 months as a result of sickness or accidental bodily injury; and
 - A medical doctor (not insured, any other protected person, or member of insured's immediate family) must certify that insured is unable to perform the duties of insured's profession.
 - b. Insured meets retirement criteria displayed in the following table:

Continuous Yrs. Insured by Us on Claims-Made Basis	Minimum Age Requirement		
5	60 or older		
6	59		
7	/58		
8	57		
9	/ 56		
10	/ 55		

Example: An insured who elects to retire at age 59 with 6 or more years insured by us on a claims-made basis would receive Extended Reporting Period Coverage without premium charge.

- 6. Premium must be paid promptly when due. Premium may be paid in full at inception of coverage or in 3 installments.
- 7. In the event the claims-made policy is canceled, any return premium due the insured will be credited toward the premium for Supplemental Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the claims-made policy's Retroactive Date or effective date and the termination date, any monies received by the Company will first be applied to the premium owing for the claims-made policy and then to the Supplemental Extended Reporting Period Coverage Endorsement.
- 8. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins and no return premium is allowable.
- 9. The factors in the following table will be applied to the mature claims-made rate in effect at the inception of the last claims-made policy (the retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage):

Years of Prior	Insta	Prepaid		
Claims-Made Coverage	1 st Year	2 nd Year	3 rd Yr	Factors
1	.31	.23	.36	0.79
2	.51	.35	.46	1.23
3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

10. The extended reporting period rating factors outlined in item 9. above reflect a reinstatement of limit applicable to the supplemental extended reporting period. When the limit for the supplemental extended reporting period is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.

11. The pricing for a supplemental extended reporting period for a dissolved entity is computed by applying the extended reporting rating factors outlined above to 10% of the mature claims—made rate in effect at the inception of the last claims-made policy. When the limit for the supplemental extended reporting period pertaining to the Entity is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.

XIII.LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as coming from professional practice within the designated state. An exception will be allowed for those whose practice involves 25% or less of their practice time exposure coming from other states. Those whose practices involve more than 25% outside the designated state must be referred to the Company for underwriting approval and rating.

XIV. CALCULATION OF PREMIUM

The premium for the claims-made policy will be the sum of the applicable charges developed below.

- A. Professional Liability coverage is to be provided on a claims-made basis, and under the following rules:
 - 1. The ISO Dental Classifications, Definitions and Class Codes 80210 and 80211 do not apply.
 - 2. The following Classification Plan is to be used:

C	LASS	DESCRIPTION
	1	General Dentists or Specialists in Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Endodontics and Oral Pathology not otherwise classified in Class II* below.
		General Dentists or Specialists performing Conscious Sedation, Third Molar Extractions, Full-Mouth Banding (unless an Orthodontic Specialist). *
	II.	Any Dentist performing Implants involving Osseointegration. *
		General dentists or Specialists allowing Unconscious Sedation in the Dental Office, but only if the Sedation is administered by a Dental Medical Anesthesiologist.
	/	* No coverage is provided for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a Hospital.
		Specialists in Dental Anesthesiology
ž	IV /	Specialists in Oral and Maxillofacial Surgery not included in Class V. (Administration of a general anesthetic intended to cause unconsciousness must be administered in a Hospital).
	V	Specialists in Oral and Maxillofacial Surgery who administer, personally or by an employed/contracted Anesthesiologist, any General Anesthetic intended to cause unconsciousness if administered in a Dental Office.
	VI	Dental School Faculty, Teaching Dentists, and Graduate Students (Intramural Activity)

VII Dental School Faculty, Teaching Dentists, and Graduate Students (No Intramural Activity)

VIII Full-time Undergraduate Dental Students (See definition below)*

- 3. The annual claims-made rates for each dentist will be determined for Classes I through V only as follows:
 - a. If the dentist is just entering practice, the dentist has continuously been insured under an occurrence policy, or Prior Acts coverage is not being provided, enter the step rate factor from the Step Rate Factor Table at year one.
 - b. If the dentist has been insured under a claims-made policy for one or more years immediately preceding the effective date of the policy to be issued, or for reasons acceptable to the Company had been uninsured or self-insured, and Prior Acts coverage is being provided, the following procedure will apply:
 - (1) Determine the number of years in which the dentist has been insured under a claims-made policy;
 - (2) The number determined in a. and b. (1) above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - (3) The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b.(1) above. The additional year is to account for the new policy to be issued.
 - (4) The applicable factor in the Claims Made Step Factor **table** is to be applied to the full-time rate for the applicable class (I V) for the given territory.
 - c. The factors in the following table are to be applied to the full-time Class I through V rates for the given territory:

Classes Step Rate Factors					
	Year 1	Year 2	Year 3	Year 4	Year 5
I through V	32	.60	.81	.90	1.00

- d. For classes VI/VII and VIII Claims Made rates, refer to state rate page.
- 4. Additional Classifications:
 - a. New Dentists: A dentist who has completed training and is new to the practice of dentistry within the 6 months prior to applying to the Company for coverage will have a 50% credit applied to the first year's premium and a 25% credit applied to the second year of practice If the new dentist discount applies, no additional credit is applicable.
 - b. Corporations and Partnerships: Professional liability coverage may be provided for a dental entity (corporation or partnership) to cover liability arising from the practice of member dentists insured by the Company. Such coverage may be provided in one of the following ways:
 - (1) Entity may share in the policy limit written by the Company for the member dentist(s), in which case no additional premium will be charged.

^{*} Full-time Undergraduate Dental Students: Unlicensed students whose dental professional activity is limited to clinical practice while under supervision of licensed dental professionals (e.g., Faculty or practicing dentists) and which is a part of the curriculum of an accredited dental school may be written at premiums shown on the State Rate Page.

- (2) Entity may be provided its own limit of liability. The limit provided under this option must be equal to the highest limit carried by any individual insured member dentist. An additional premium charge of 10% of the total professional liability premium developed from all member dentists will be made.
- c. Additional Insureds (other than individual dentists, corporations and partnerships): Coverage may be extended to Additional Named Insureds for a charge of 5% of the policy's professional liability premium per additional insured.
- d. Disability and Leave of Absence: A dentist who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a reduced rate of 75% of the applicable full time rate for the period of disability or leave of absence. The reduced rate will apply retroactively to the first day of disability or leave of absence. Leave of absence may include professional education, sabbatical or maternity leave for example, but does not include vacation.
- e. Locum tenens: A Locum Tenens Endorsement may be provided for non- insured dentists who temporarily replace an insured dentist for a period up to 60 days each policy year. The Locum Tenens will share in the insured dentist's limit of liability. As a result there will be no additional premium charge.
- f. Part Time: A part time rate of 50% of the applicable full time rate will apply to any dental professional who works 20 hours or less per week. This credit will not apply if the professional is rated at the year one claims-made rate to which the new dentist credit has been applied. Only 25% credit will apply if the professional is rated at the year two claims-made rate to which the new dentist second year credit has been applied.
- g. Employed Dentist: A 10% additional premium charge will be made to an insured entity for each employed dentist not insured by Us for the additional vicarious liability assumed by the entity as a result of such situations.
- h. Employed Dentists: A factor of .80 will be applied to the applicable rate for all dentists who are employees of an insured dentist/dental office.
- B. General Liability, including coverage for Certified Acts of Terrorism as defined in the Terrorism Insurance Act of 2002, is provided at no additional premium.

XV. SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS

	Characteristic	Credit	Debit
A.	Schedule Rating – Based upon the following individual risk characteristics, the maximum credit or debit produced will not exceed 25%		
	Procedure Mix Applicable to those whose procedures or practices are primarily concentrated in areas other than their practice classification / specialty.	up to 10%	up to 10%
	 Exposure Modification Applicable to those whose practice or coverage has been modified to reflect an increased or decreased exposure. 	up to 10%	up to 10%
	Unusual Risk Characteristics	up to 10%	up to 10%
В.	Loss Control Education A credit will be applied to each dentist who attends a Company approved loss prevention workshop. This credit will be applied for 3 consecutive years.	5% to 10%	N/A

C.	Experience Rating	N/A	0 to 75%
	Based upon the claim history of an		1
	individual dentist over a preceding 5		/ /
	year period, a debit not to exceed 75%		
	may be applied to the dentist's rate for		
	the first subsequent policy period.		
	Criteria used to determine the		
	application of such debits for the		/
	preceding 5 year claim history will		
	include:		
	 Number of claims 		
	 Incurred losses 		/
	 Paid losses 		/
	 Cause of reported losses 	/	
	Debits are to be applied on a one year		
	basis and then reviewed annually for		
	subsequent applicability using the		
	same criteria above.		

XVI. EXPENSE MODIFICATION

The policy premium contemplates standard allowances for expense. If expense varies from standard, the premium may be modified to reflect this difference.

XVII. CHANGE OF CLASSIFICATION

In the event that an insured changes their practice, resulting in a classification change, a charge reflecting the difference between the two classifications shall be calculated and collected at the time of change <u>unless</u>:

- A. both the prior and current classification fall/within the same class;
- B. the classification change occurred more than 4 years ago and under a claims-made policy;
- C. the classification change occurred at a time when occurrence coverage was in effect.

The following procedure shall be used to determine the applicable surcharge, if any:

- A. Calculate the at-limits Supplemental Extended Reporting Period premium applicable for:
 - 1. the previous classification according to the rates and rules contained herein;
 - 2. the premium applicable for the current classification.
- B. If the at-limits Supplémental Reporting Period premium for the current classification:
 - 1. is less than the premium for the previous classification, the dollar difference is the surcharge to be applied.
 - 2. exceeds the premium for the previous classification, there shall be no charge.

XVIII. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer the insured various premium payment options, ranging from monthly to annual payment plans.

XIX. DIVIDEND OR PROFIT SHARING PLANS

The Company may agree with an association, purchasing group or similar organization to share profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the

DEN-7

agreement with the organization to the policy by reference.

Any monies developed in accordance with any such agreement shall be made available to the insureds in accordance with the provisions of the agreement.

XX. BLANKET COVERAGE OPTION

All students, faculty, teaching dentists and graduate students in a single School of Dentistry may be written under one Blanket Policy if application is made and responsibility for coordination such as premium payment and claims reporting is assumed by the School. All individuals covered under this blanket option must carry the same limit. A separate limit applies to each individual named on the policy. Because of administrative savings realized in the inclusion of everyone under one policy, a 15% credit is applied to the total professional liability premium under the Blanket Coverage option.

XXI. CLAIM FREE CREDIT RULE

NOTE: The following rule is applicable to Dental Classes I through V only.

If no claim under this policy shall have been filed against an Insured, the Insured will be eligible for premium credits on the following schedule:

- 1. If insured by the Company and claim free for 3 years but less than 5, a 5% credit shall be applied to the next renewal.
- 2. If insured by the Company and claim free for 5 years but less than 8, a 10% credit shall be applied to the next renewal.
- 3. If insured by the Company and claim free for 8 years or more, a credit of 15% shall be applied to the next policy renewal.

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

Insureds converting coverage to the ACE USA Companies, who were claim free while insured by another carrier, may qualify for credit at the policy inception date in accordance with standard guidelines applicable to the Company's Insureds.

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. <u>APPLICATION OF MANUAL RULES</u>		> housestand to the control of the c	[[4]
A. The rules contained in these pages will govern the writing of Professional Liability policies and		Formatted	[[5]
General Liability policies for the dental profession.		Formatted	[6]
with the control of t	*	Formatted	[[7]
B. The rates, rating plans and forms filed on behalf of the Company will govern in all cases not	* * * * * * * * * * * * * * * * * * * *	Formatted	[8]
specifically provided for herein.		Formatted	([9
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B. Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subje		Formatted	[12]
to the consent of the Company and the rates and forms in effect for the expiring policy term	$\overline{T} = \frac{\eta_{i_1}}{\eta_{i_1}}, \frac{1}{\ell}$	Formatted	[13]
Premiums for this extension shall be calculated on a pro-rata basis.	14,1	Formatted	[[14]
C. Coverage may be renewed, subject to the consent of the Company, for additional periods by payment	$\mathbf{r}_{i_{1}, \ldots, i_{n_{1}, \ldots, n_{r}}}$	Formatted	[[15]
of a premium calculated according to the company's rates, rules and forms in effect at the time of	$\frac{\mathcal{A}}{\mathbf{r}} = \frac{a_{ij}}{a_{ij}}$	Formatted	[[16]
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A. <u>Premiums</u> at policy inception will be computed using rules, rates and rating plans in effect at that time.	,	Formatted	[[19]
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B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata		Deleted: Prorate the pr	emium when
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Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being adde	d+\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		[[23]
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The premium for each peril, coverage or exposure for which a separate premium is calculated will be		Formatted	[20]
rounded to the nearest whole dollar as follows:		Formatted	[[28]
A. Any amount involving \$.50 or over will be rounded to the next highest whole dollar amount;	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		[[29]
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B. Any amount involving \$.49 or less will be rounded to the next lowest whole dollar amount.	William Co.	Formatted	[[31]
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. <u>ADDITIONAL PREMIUM CHARGES</u>		Formatted	[[32]
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 All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change. 	حرارة الراغوم	Deleted: Minimum Prem	****
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B. The rates and rules that were in effect at the inception date of the policy period are to be used in all		Market in the substitution of the substitution	[[34]
additional premium calculations.		Formatted	[[35]
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C. Additional premiums of \$15 or less may be waived. This waiver only applies to charges due on the	A COL	Formatted	[[37]
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DENTAL PROFESSIONAL AND GENERAL LIABILITY, - COUNTRYWIDE GENERAL RULES A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is B. Return premiums are computed using rates in effect at the policy inception. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule whenany coverage or exposure is deleted, or an amount of insurance is reduced. JX. COVERAGES Required coverages under this program are: A. Professional Liability is available on a Claims-Made basis. B. General Liability and other ancillary coverages are on an occurrence basis. X. LIMIT OF LIABILITY OPTIONS A. Minimum limit available is \$100,000/\$300,000. Higher limits may be offered up to \$5 Million/\$7 Million by using the Policy Limit Factors displayed in the state exception page. XI. POLICY CANCELLATIONS A. The policy may be canceled flat by the Company or the insured within 60 days of the effective date. Evidence of insured cancellation must be received by the Company within 60 days of such cancellation intent. B. Any cancellation initiated, other than by the insured, after 60 days will be canceled pro-rata. C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied. XII. EXTENDED REPORTING PERIOD COVERAGE A. BASIC EXTENDED REPORTING PERIOD A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. This automatic extension will provide an additional period of time in which to report claims to the Company that arise from dental incidents that take place subsequent to the Retroactive Date and before the end of the policy period. The Basic Extended Reporting Period does not apply to claims that are covered under any other insurance purchased after the expiration of our policy, or to claims that would be covered but for the exhaustion of any subsequently purchased insurance applicable to such claims. B. SUPPLEMENTAL EXTENDED REPORTING PERIOD The Supplemental Extended Reporting Period is unlimited and its availability will be governed by the following rules: 1. The Limits of Liability may not exceed those afforded under the terminating claims-made 2. Supplemental Extended Reporting Period Coverage will be available to named insureds shown on the Declarations page of the terminating claims-made policy. Should a Named Insured terminate association with an entity and obtain Supplemental Extended Reporting Period Coverage, the entity may also be provided a Supplemental Extended Reporting Period ACE AMERICAN INSURANCE COMPANY

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DENTAL PROFESSIONAL AND GENERAL LIABILITY, - COUNTRYWIDE GENERAL RULES

but only if the entity was also insured by the Company.

- 3. Upon termination of the claims-made policy, all named insureds shown on the Declarations page may purchase this coverage by giving the Company written notice of intent to purchase within 60 days following the termination date of their claims-made policy, and paying the appropriate premium.
- 4. Upon termination of coverage of the claims-made policy by reason of death, the deceased's unearned premium for this coverage will be waived and Supplemental Extended Reporting Period Coverage will be provided at no additional charge.
- There will be no charge for Supplemental Extended Reporting Period Coverage under the following circumstances:
 - a. Insured meets the following Total Disability requirements:
 - Totally and continuously disabled for at least 6 months as a result of sickness or accidental bodily injury; and
 - A medical doctor (not insured, any other protected person, or member of insured's immediate family) must certify that insured is unable to perform the duties of insured's profession.
 - Insured meets retirement criteria displayed in the following table:

Continuous Yrs. Insured by Us on Claims-Made Basis	Minimum Age Requirement
5	60 or older
6	59
7	58
8	57
9	56
10	55

Example: An insured who elects to retire at age 59 with 6 or more years insured by us on a claims-made basis would receive Extended Reporting Period Coverage without premium charge.

- 6. Premium must be paid promptly when due. Premium may be paid in full at inception of coverage or in 3 installments.
- In the event the claims-made policy is canceled, any return premium due the insured will be credited toward the premium for Supplemental Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the claims-made policy's Retroactive Date or effective date and the termination date, any monies received by the Company will first be applied to the premium owing for the claimsmade policy and then to the Supplemental Extended Reporting Period Coverage Endorsement.
- The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins and no return premium is allowable.
- The factors in the following table will be applied to the mature claims-made rate in effect at the inception of the last claims-made policy (the retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage);

Years of Prior	Installment Factors			
Claims-Made Coverage	1 st Year	2 nd Year	3 rd Yr	Prepaid Factors
1	.31	.23	.36	0.79
2	.51	.35	.46	1.23
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DENTAL PROFESSIONAL AND GENERAL LIABILITY .- COUNTRYWIDE GENERAL RULES

3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

- 10. The extended reporting period rating factors outlined in item 9, above reflect a reinstatement of limit applicable to the supplemental extended reporting period. When the limit for the supplemental extended reporting period is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.
- 11. The pricing for a supplemental extended reporting period for a dissolved entity is computed by applying the extended reporting rating factors outlined in above to 10% of the mature claims-made rate in effect at the inception of the last claims-made policy. When the limit for the supplemental extended reporting period pertaining to the Entity is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.

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XIII.LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as coming from professional practice within the designated state. An exception will be allowed for those whose practice involves 25% or less of their practice time exposure coming from other states. Those whose practices involve more than 25% outside the designated state must be referred to the Company for underwriting approval and rating.

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XIV. CALCULATION OF PREMIUM

The premium for the claims-made policy will be the sum of the applicable charges developed below.

- A. Professional Liability coverage is to be provided on a claims-made basis, and under the following rules:
 - 1. The ISO Dental Classifications, Definitions and Class Codes 80210 and 80211 do not apply.
 - 2. The following Classification Plan is to be used:

CLASS DESCRIPTION

General Dentists or Specialists in Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Endodontics and Oral Pathology not otherwise classified in Class II* below.

General Dentists or Specialists performing Conscious Sedation, Third Molar Extractions, Full-Mouth Banding (unless an Orthodontic Specialist). *

II Any Dentist performing Implants involving Osseointegration. *

General dentists or Specialists allowing Unconscious Sedation in the Dental Office, but only if the Sedation is administered by a Dental Medical Anesthesiologist.

- * No coverage is provided for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a Hospital.
- III Specialists in Dental Anesthesiology
- IV Specialists in Oral and Maxillofacial Surgery not included in Class V. (Administration of a general anesthetic intended to cause unconsciousness must be administered in a Hospital).
- V Specialists in Oral and Maxillofacial Surgery who administer, personally or by

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an employed/contracted Anesthesiologist, any General Anesthetic intended to cause unconsciousness if administered in a Dental Office.

- VI Dental School Faculty, Teaching Dentists, and Graduate Students (Intramural Activity)
- VII Dental School Faculty, Teaching Dentists, and Graduate Students (No Intramural Activity)
- VIII Full-time Undergraduate Dental Students (See definition below)*

- 3. The annual claims-made rates for each dentist will be determined for Classes I through V only as follows:
 - a. If the dentist is just entering practice, the dentist has continuously been insured under an occurrence policy, or Prior Acts coverage is not being provided, enter the step rate factor from the Step Rate Factor Table at year one.
 - b. If the dentist has been insured under a claims-made policy for one or more years immediately preceding the effective date of the policy to be issued, or for reasons acceptable to the Company had been uninsured or self-insured, and Prior Acts coverage is being provided, the following procedure will apply:
 - Determine the number of years in which the dentist has been insured under a claimsmade policy;
 - (2) The number determined in a. and b. (1) above will be the "prior years of exposure".

 Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - (3) The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b.(1) above. The additional year is to account for the new policy to be issued.
 - (4) The applicable factor in the Claims Made Step Factor table is to be applied to the full-time rate for the applicable class (I − V) for the given territory.
 - The factors in the following table are to be applied to the full-time Class I through V rates for the given territory.

Classes		Step	Rate Factors		
	Year 1	Year 2	Year 3	Year 4	Year 5
I through V	.32	.60	.81	.90	1.00

- d. For classes VI, VII and VIII Claims Made rates, refer to state rate page
- Additional Classifications:
 - a. New Dentists: A dentist who has completed training and is new to the practice of dentistry within the 6 months prior to applying to the Company for coverage will have a 50% credit applied to the first year's premium and a 25% credit applied to the second year of practice If the new dentist discount applies, no additional credit is applicable

st year's premium and a 25% credit applied to the st t discount applies, no additional credit is applicable	second year of practice
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^{*} Full-time Undergraduate Dental Students: Unlicensed students whose dental professional activity is limited to clinical practice while under supervision of licensed dental professionals (e.g., Faculty or practicing dentists) and which is a part of the curriculum of an accredited dental school may be written at premiums shown on the State Rate Page.

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- b. Corporations and Partnerships: Professional liability coverage may be provided for a dental entity (corporation or partnership) to cover liability arising from the practice of member dentists insured by the Company. Such coverage may be provided in one of the following ways:
 - (1) Entity may share in the policy limit written by the Company for the member dentist(s), in which case no additional premium will be charged.
 - (2) Entity may be provided its own limit of liability. The limit provided under this option must be equal to the highest limit carried by any individual insured member dentist. An additional premium charge of 10% of the total professional liability premium developed from all member dentists will be made.
- Additional Insureds (other than individual dentists, corporations and partnerships): Coverage may be extended to Additional Named Insureds for a charge of 5% of the policy's professional liability premium per additional insured.
- Disability and Leave of Absence: A dentist who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a reduced rate of 75% of the applicable full time rate for the period of disability or leave of absence. The reduced rate will apply retroactively to the first day of disability or leave of absence. Leave of absence may include professional education, sabbatical or maternity leave for example, but does not include vacation.
- Locum tenens: A Locum Tenens Endorsement may be provided for non-insured dentists who temporarily replace an insured dentist for a period up to 60 days each policy year. The Locum Tenens will share in the insured dentist's limit of liability. As a result there will be no additional premium charge.
- Part Time: A part time rate of 50% of the applicable full time rate will apply to any dental professional who works 20 hours or less per week. This credit will not apply if the professional is rated at the year one claims-made rate to which the new dentist credit has been applied. Only 25% credit will apply if the professional is rated at the year two claims-made rate to which the new dentist second year credit has been applied.
- Employed Dentist: A 10% additional premium charge will be made to an insured entity for each employed dentist not insured by Us for the additional vicarious liability assumed by the entity as a result of such situations.
- h. Employed Dentists: A factor of .80 will be applied to the applicable rate for all dentists who are employees of an insured dentist/dental office.
- General Liability, including coverage for Certified Acts of Terrorism as defined in the Terrorism Insurance Act of 2002, is provided at no additional premium.

XV SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS

Characteristic	Credit	Debit
A. Schedule Rating – Based upon the following individual risk characteristics, the maximum credit or debit produced will not exceed 25% 1. Procedure Mix Applicable to those whose procedures or practices are primarily concentrated in areas other than their practice classification / specialty.	ய ூ to 10%	யுற to 10%

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	Exposure Modification Applicable to those whose practice or coverage has been modified to reflect an increased or decreased exposure.	μ <u>ρ</u> to 10%	யற to 10%	, , , , , , , , , , , , , , , , , , ,
	Unusual Risk Characteristics	др to 10%	μp to 10%	
В.	Loss Control Education A credit will be applied to each dentist who attends a Company approved loss prevention workshop. This credit will be applied for 3 consecutive years.	5% to 10%	<u>N/A</u>	
C.	Experience Rating Based upon the claim history of an individual dentist over a preceding 5 year period, a debit not to exceed 75% may be applied to the dentist's rate for the first subsequent policy period. Criteria used to determine the application of such debits for the preceding 5 year claim history will include: Number of claims Incurred losses Paid losses Cause of reported losses Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.	N/A.	0 to 75%	

XVI, EXPENSE MODIFICATION

The policy premium contemplates standard allowances for expense. If expense varies from standard, the premium may be modified to reflect this difference.

XVIL CHANGE OF CLASSIFICATION

In the event that an insured changes their practice, resulting in a classification change, a charge reflecting the difference between the two classifications shall be calculated and collected at the time of change <u>unless</u>:

- A. both the prior and current classification fall within the same class;
- B. the classification change occurred more than 4 years ago and under a claims-made policy;
- C. the classification change occurred at a time when occurrence coverage was in effect.

The following procedure shall be used to determine the applicable surcharge, if any:

- A. Calculate the at-limits Supplemental Extended Reporting Period premium applicable for:
 - 1. the previous classification according to the rates and rules contained herein;
 - 2. the premium applicable for the current classification.
- B. If the at-limits Supplemental Reporting Period premium for the current classification:
 - 1. is less than the premium for the previous classification, the dollar difference is the surcharge

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DENTAL PROFESSIONAL AND GENERAL LIABILITY , COUNTRYWIDE GENERAL RULES

to be applied.

2. exceeds the premium for the previous classification, there shall be no charge

XVIII. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer the insured various premium payment options, ranging from monthly to annual payment plans.

XIX. DIVIDEND OR PROFIT SHARING PLANS

The Company may agree with an association, purchasing group or similar organization to share profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with any such agreement shall be made available to the insureds in accordance with the provisions of the agreement.

XX, BLANKET COVERAGE OPTION

All students, faculty, teaching dentists and graduate students in a single School of Dentistry may be written under one Blanket Policy if application is made and responsibility for coordination such as premium payment and claims reporting is assumed by the School. All individuals covered under this blanket option must carry the same limit. A separate limit applies to each individual named on the policy. Because of administrative savings realized in the inclusion of everyone under one policy, a 15% credit is applied to the total professional liability premium under the Blanket Coverage option.

XXI. CLAIM FREE CREDIT RULE

NOTE: The following rule is applicable to Dental Classes I through V only.

If no claim under this policy shall have been filed against an Insured, the Insured will be eligible for premium credits on the following schedule:

- 1. If insured by the Company and claim free for 3 years but less than 5, a 5% credit shall be applied to the next renewal.
- If insured by the Company and claim free for 5 years but less than 8, a 10% credit shall be applied to the next renewal.
- If insured by the Company and claim free for 8 years or more, a credit of 15% shall be applied to the next policy renewal.

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or nonmeritorious or frivolous claims.

> Insureds converting coverage to the ACE USA Companies, who were claim free while insured by another carrier, may qualify for credit at the policy inception date in accordance with standard guidelines applicable to the Company's Insureds.

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D. Waive return premium of \$15 or less. Grant any return premium due the insured if requested. This waiver only applies to cash exchange due on the effective date of change endorsements.

E. Retain the policy writing minimum premium.

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The policy may be extended to provide prior acts coverage to those whose most recent coverage has been Claims-Made. Refer to Section XV. <u>CALCULATION OF PREMIUM</u>, Part A., item 3. for the applicable rules.

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(3) The sum of the years from

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ACE AMERICAN INSURANCE COMPANY

Edition 9/2000

Filing 2000-146

Not approved in NY, UT, VA, LA

Revision made for CA under filing 2000-121

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ACE AMERICAN INSURANCE COMPANY

Edition 9/2000

Filing 2000-146

Not approved in NY, UT, VA, LA

Revision made for CA under filing 2000-121

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DENTAL PROFESSIONAL LIABILITY MANUAL RATES

Rules Filing 2000-146 Rate Filing 1996-039 **Rule Filing 11-MR-2009465**

DEN-RATE-IL

STATE:	Illinois	
TERRITORY.	I Cook County	

II. Dupage, Lake, Will Counties
III. Remainder of State

TABLE I DENTIST CLASSIFICATIONS

\$1 MILLION/\$3 MILLION OCCURRENCE EQUIVALENT

DENTAL CLASS	TERRITORY I	TERRITORY II	TERRITORY III
CLASS I	2,212	1,598	1,474
CLASS II	2,765	1,997	1,843
CLASS III	3,180	2,297	2,119
CLASS IV	8,295	5,991	5,529
CLASS V	16,590	11,982	11,058

TABLE II DENTIST SCHOOL FACULTY, TEACHING DENTISTS, GRADUATE ASSISTANTS AND UNDERGRADUATE STUDENTS

\$1 MILLION/\$3 MILLION CLAIMS-MADE RATES

DENTAL CLASS	TERRITORY I	TERRITORY II	TERRITORY III
CLASS VI	553	399	369
CLASS VII	277	200	184
CLASS VIII	138	100	92

TABLE III **POLICY LIMIT FACTORS (Limits are in Thousands)**

AGGREGATE	100	200	500	1,000	1.500	2,000	3,000	4,000	5,000
300	0.667								
600		0.775	0.877						
1,000		0.789	0.891	0.980					
1,500		0.802	0.902	0.985	1.070				
2,000		0.816	0.912	0.990	1.075	1.133			
3,000		0.843	0.933	1.000	1.083	1.141	1.224		
4,000		0.871	0.954	1.019	1.103	1.160	1.244	1.314	
5,000		0.891	0.964	1.032	1.115	1.173	1.256	1.327	1.385
6,000								1.336	
7,000									1.410

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ACE AMERICAN INSURANCE COMPANY

EDITION 05/11

Neuman, Gayle

From:

Boyce, Theresa E [Theresa.Boyce@acegroup.com]

Sent:

Thursday, August 25, 2011 1:44 PM

To:

Neuman, Gayle

Subject:

Out of Office: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

I'll be out of the office on 8-25-11 and 8-26-11. If you need immediate assistance, please call Valerie Christy 215-640-5421) for Forms Management issues; Renice Cox (215-640-4876) for Regulatory Filing issues Viola Mcbride (215-640-5238) for Medical Risk.

Thank you

This email is intended for the designated recipient(s) only, and may be confidential, non-public, proprietary, protected by the attorney/client or other privilege. Unauthorized reading, distribution, copying or other use of this communication is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) should not be deemed a waiver of any privilege or protection. If you are not the intended recipient or if you believe that you have received this email in error, please notify the sender immediately and delete all copies from your computer system without reading, saving, or using it in any manner. Although it has been checked for viruses and other malicious software ("malware"), we do not warrant, represent or guarantee in any way that this communication is free of malware or potentially damaging defects. All liability for any actual or alleged loss, damage, or injury arising out of or resulting in any way from the receipt, opening or use of this email is expressly disclaimed.

Neuman, Gayle

From:

Neuman, Gayle

Sent:

Thursday, August 25, 2011 1:43 PM

To:

'Boyce, Theresa E'

Subject:

RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Theresa,

The copy of the manual sent on June 3, 2011 does not include reference to "general liability" at the top of each page like the marked-up copy does. Please address which copy is incorrect and provide a corrected copy. Additionally, the manual as received on June 3, 2011 did not include the page with the rates, however a marked-up version of that page was provided with your August 23, 2011 e-mail. Please forward the copy to be filed.

Thank you for your assistance.

Gayle Neuman

Illinois Department of Insurance (217)524-6497

From: Boyce, Theresa E [mailto:Theresa.Boyce@acegroup.com]

Sent: Tuesday, August 23, 2011 9:13 AM

To: Neuman, Gayle

Subject: RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Gayle:

Attached are our marked-up Dental Manual and Rate pages, and Actuarial Certification you requested. I hope this information satisfactorily addresses your concerns. Let me know if you need additional information.

Thank you.

Theresa Boyce
Manager
ACE Group
Office of General Counsel
Product Line Support- WB04G
P.O. Box 1000
Philadelphia, PA 19105-1000

Phone: 215,640,1811 Fax: 215,640,4986

Email: theresa.boyce@acegroup.com

Neuman, Gayle

From:

Boyce, Theresa E [Theresa.Boyce@acegroup.com]

Sent:

Wednesday, August 31, 2011 9:34 PM

To:

Neuman, Gavle

Subject:

RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Attachments:

CW Dental Rules- Final _03-10_.pdf; Dental Prof - Illinois Rate Page revised.pdf; IL - Dental

STATE EXCEPTION PAGE 05-11 .pdf

Gayle:

Attached are the correct CW Dental Rule pages as well as the Illinois Rate and Exception pages. Let me know if you need additional information.

Thank you.

Theresa Boyce
Manager
ACE Group
Office of General Counsel
Product Line Support- WB04G
P.O. Box 1000
Philadelphia, PA 19105-1000

Phone: 215.640.1811

Phone: 215.640.181 Fax: 215.640.4986

Email: theresa.boyce@acegroup.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Thursday, August 25, 2011 2:43 PM

To: Boyce, Theresa E

Subject: RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

Theresa,

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From: Boyce, Theresa E [mailto:Theresa.Boyce@acegroup.com]

Sent: Tuesday, August 23, 2011 9:13 AM

To: Neuman, Gayle

Subject: RE: ACE American Ins Co - Rule Filing #11-MR-2009465(R)

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Thank you.

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ACE Group
Office of General Counsel
Product Line Support- WB04G
P.O. Box 1000
Philadelphia, PA 19105-1000

Phone: 215.640.1811 Fax: 215.640.4986

Email: theresa.boyce@acegroup.com

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Neuman, Gayle

From:

McBride, Viola [Viola.McBride@acegroup.com]

Sent:

Tuesday, March 27, 2012 11:03 AM

To:

Neuman, Gayle

Subject:

RE: ACE American Insurance Company - Filing #11-MR-2009465(R)

Attachments:

IL - Dental STATE EXCEPTION PAGE (Revised 03-12).doc

Dear Ms. Neuman:

What follows are our responses to your comments, dated March 19, 2012.

- 1. The dental professional liability policy offers first dollar coverage and has no deductible.
- 2. Please see annexed State Exception Page. Rule XVI. EXPENSE MODIFICATION has been deleted.
- 3. Please see annexed State Exception Page. Rule XIX. DIVIDEND OR PROFIT SHARING PLANS has been deleted.

Sincerely,

Viola McBride
Product Manager
Medical Risk
ACE NA General Counsel
Product Line Support
510 Walnut Street, WB04G
Philadelphia, PA 19106
(215) 640-5238
viola.mcbride@acegroup.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Monday, March 19, 2012 3:28 PM

To: Boyce, Theresa E

Subject: ACE American Insurance Company - Filing #11-MR-2009465(R)

Ms. Boyce,

I am reviewing the above referenced filing. Please address the following questions:

- 1. Does ACE offer any deductible factors to an insured?
- 2. In regard to the Expense Modification, does this mean the company would change an insured's premium after the policy is issued? How are these "rates" being filed or identified?
- 3. In regard to the Dividend or Profit Sharing Plans, does this mean the company would change an insured's premium after the policy is issued? Please advise.

I request receipt of your response by March 30, 2012.

Gayle Neuman

Illinois Department of Insurance Property & Casualty Compliance (217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

This email is intended for the designated recipient(s) only, and may be confidential, non-public, proprietary, protected by the attorney/client or other privilege. Unauthorized reading, distribution, copying or other use of this communication is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) should not be deemed a waiver of any privilege or protection. If you are not the intended recipient or if you believe that you have received this email in error, please notify the sender immediately and delete all copies from your computer system without reading, saving, or using it in any manner. Although it has been checked for viruses and other malicious software ("malware"), we do not warrant, represent or guarantee in any way that this communication is free of malware or potentially damaging defects. All liability for any actual or alleged loss, damage, or injury arising out of or resulting in any way from the receipt, opening or use of this email is expressly disclaimed.

State Exceptions. Selected countrywide rules are amended as described below:

I. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

- 1. For annual premiums up to and including \$80,000, a three-installment payment plan payable as follows:
 - a. an initial payment equal to 50% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception; and
 - c. a third payment equal to 25% of the premium due 4 months from policy inception.
- 2. For annual premiums in excess of \$80,000, a five-installment payment plan payable as follows:
 - a. an initial payment equal to 30% of the premium due at policy inception:
 - b. a second payment equal to 25% of the premium due 2 months from policy inception;
 - c. a third payment equal to 20% of the premium due 4 months from policy inception;
 - d. a fourth payment equal to 15% of the premium due 6 months from policy inception;
 - e. a fifth payment equal to 10% of the premium due 8 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

There are no interest charges or installment fees required with such payment plans.

Neuman, Gayle

From:

Neuman, Gayle

Sent:

Tuesday, May 01, 2012 2:25 PM

To:

'McBride, Viola'

Subject:

FW: ACE American Insurance Company - Filing #11-MR-2009465(R)

I have not received a response to the attached email. Your prompt attention is appreciated.

Gayle Neuman

Illinois Department of Insurance (217)524-6497

From: Neuman, Gayle

Sent: Wednesday, March 28, 2012 1:30 PM

To: 'McBride, Viola'

Subject: RE: ACE American Insurance Company - Filing #11-MR-2009465(R)

Ms. McBride,

When were the changes to the Supplemental Professional Liability Modifications made? Pursuant to 50 Ill. Adm. Code 754.10, identification of all changes to all superseding filings is required.

Your prompt attention is appreciated.

Gayle Neuman

Illinois Department of Insurance (217)524-6497

From: McBride, Viola [mailto:Viola.McBride@acegroup.com]

Sent: Tuesday, March 27, 2012 11:03 AM

To: Neuman, Gayle

Subject: RE: ACE American Insurance Company - Filing #11-MR-2009465(R)

Dear Ms. Neuman:

What follows are our responses to your comments, dated March 19, 2012.

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Viola McBride
Product Manager
Medical Risk
ACE NA General Counsel
Product Line Support
510 Walnut Street, WB04G
Philadelphia, PA 19106
(215) 640-5238
viola.mcbride@acegroup.com

TO: FILING 11-MR-2009465(R)

FROM: GAYLE NEUMAN

On May 2, 2012, Viola McBride of ACE American spoke with Gayle Neuman on the telephone. Viola did not understand what I was requesting or saying in the March 28, 2012 email that was sent to her. I explained there was a change in the manual from the 2000 dental edition which increased the scheduled rating maximum to +/-75% but such change was not disclosed in the current filing. Additionally, I explained that Bulletin 2011-05 would not allow a scheduled rating maximum over +/-25%. Viola asked for an extension to address this matter to May 15, 2012.

Neuman, Gayle

From: Little, Jonathan B [jonathan.little@acegroup.com]

Sent: Monday, May 14, 2012 9:50 AM

To:Neuman, GayleCc:McBride, Viola

Subject: RE: ACE American Insurance Company - Filing #11-MR-2009465(R)

Attachments: IL - Dental STATE EXCEPTION PAGE (Revised 05-12).pdf

Ms. Neuman:

A revised state exception page is attached, as the +/- 75% shown on our former rating rules was a typographical error. We have not utilized credits or debits exceeding 25% for our Dental Professional Liability Insureds, under the Supplemental Liability Modifications

I apologize for this error and any inconvenience it may have caused. Please let me know if you have any questions.

Sincerely,

Jonathan Little
Associate Product Manager
ACE NA, General Counsel
510 Walnut Street, WB04G
Philadelphia, PA 19106

Phone: 215-640-4785 Fax: 215-640-4986

Email: jonathan.little@acegroup.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Tuesday, May 01, 2012 3:25 PM

To: McBride, Viola

Subject: FW: ACE American Insurance Company - Filing #11-MR-2009465(R)

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Gayle Neuman

Illinois Department of Insurance

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 - b. a second payment equal to 25% of the premium due 2 months from policy inception; and
 - c. a third payment equal to 25% of the premium due 4 months from policy inception.
- 2. For annual premiums in excess of \$80,000, a five-installment payment plan payable as follows:
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 - b. a second payment equal to 25% of the premium due 2 months from policy inception;
 - c. a third payment equal to 20% of the premium due 4 months from policy inception;
 - d. a fourth payment equal to 15% of the premium due 6 months from policy inception;
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Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

There are no interest charges or installment fees required with such payment plans.

II. XV. <u>SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS</u>, subsection C. Experience Rating, is deleted in its entirety and replaced by the following:

C. Europianos Deline		
C. Experience Rating		
Based upon the claim	history of an individual dentist over a	
preceding 5 year period	od, a debit not to exceed 75% may be	
applied to the dentist's	rate for the first subsequent policy	
	to determine the application of such	
•	ng 5 year claim history will include:	
debits for the preceding	ig 5 year claim history win include.	
 Number of reporte 		201
	0 to 3	0%
	4 to 6	5%
	7 to 10	15%
	10 or more	30%
2. Loss ratio:		
	70% to 80%	10%
/	81% to 90%	15%
f.	90% to 100%	20%
1	Over 100%	30%
1	OVEI 10070	3070
2 0		
3. Cause of loss:		100/
	No more than 3 claims with same	10%
	or similar cause of loss.	

Debit

Credit

More than 3 claims with same or similar cause of loss.

15%

Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.

- III. Rule XVI. EXPENSE MODIFICATION is deleted in its entirety.
- IV. Rule XIX. <u>DIVIDEND OR PROFIT SHARING PLANS</u> is deleted in its entirety.

State Exceptions. Selected countrywide rules are amended as described below:

I. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

- 1. For annual premiums up to and including \$80,000, a three-installment payment plan payable as follows:
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There are no interest charges or installment fees required with such payment plans.

II. XV. <u>SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS</u>, subsection C. Experience Rating, is deleted in its entirety and replaced by the following:

preceding 5 year per applied to the dentist period. Criteria used	n history of an individual dentist over a lood, a debit not to exceed 75% may be so rate for the first subsequent policy to determine the application of suching 5 year claim history will include:	<u>Credit</u>	<u>Debit</u>	
Number of report	red claims:			
. Administration	0 to 3		0%	
	4 to 6		5%	
	7 to 10		15%	
	10 or more		30%	
2. Loss ratio:				
	70% to 80%		10%	
	81% to 90%		15%	
	90% to 100%		20%	
	Over 100%		30%	
3. Cause of loss:				
	No more than 3 claims with same		10%	
	or similar cause of loss.			Deleted: 02
	ACE AMERICAN INSURANCE COM	IPANY	Edition <u>09</u> /2011 /	

More than 3 claims with same or similar cause of loss.

15%

Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.

Deleted: 02

ACE AMERICAN INSURANCE COMPANY

Edition 09/2011

I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages will govern the writing of Professional Liability policies and General Liability policies for the dental profession.
- B. The rates, rating plans and forms filed on behalf of the Company will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.
- B. Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.
- C. Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

The minimum premium will be \$250 per annual or lesser period.

VI. WHOLE DOLLAR RULE

The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- A. Any amount involving \$.50 or over will be rounded to the next highest whole dollar amount;
- B. Any amount involving \$.49 or less will be rounded to the next lowest whole dollar amount.

VII. <u>ADDITIONAL PREMIUM CHARGES</u>

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$15 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUM

A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is



- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. COVERAGES

Required coverages under this program are:

- A. Professional Liability is available on a Claims-Made basis.
- B. General Liability and other ancillary coverages are on an occurrence basis.

X. LIMIT OF LIABILITY OPTIONS

A. Minimum limit available is \$100,000/\$300,000. Higher limits may be offered up to \$5 Million/\$7 Million by using the Policy Limit Factors displayed in the state exception page.

XI. POLICY CANCELLATIONS

- A. The policy may be canceled flat by the Company or the insured within 60 days of the effective date. Evidence of insured cancellation must be received by the Company within 60 days of such cancellation intent.
- B. Any cancellation initiated, other than by the insured, after 60 days will be canceled pro-rata.
- C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

XII. EXTENDED REPORTING PERIOD COVERAGE

A. BASIC EXTENDED REPORTING PERIOD

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. This automatic extension will provide an additional period of time in which to report claims to the Company that arise from dental incidents that take place subsequent to the Retroactive Date and before the end of the policy period.

The Basic Extended Reporting Period does not apply to claims that are covered under any other insurance purchased after the expiration of our policy, or to claims that would be covered but for the exhaustion of any subsequently purchased insurance applicable to such claims.

B. SUPPLEMENTAL EXTENDED REPORTING PERIOD

The Supplemental Extended Reporting Period is unlimited and its availability will be governed by the following rules:

- 1. The Limits of Liability may not exceed those afforded under the terminating claims-made policy.
- 2. Supplemental Extended Reporting Period Coverage will be available to named insureds shown on the Declarations page of the terminating claims-made policy. Should a Named Insured terminate association with an entity and obtain Supplemental Extended Reporting Period Coverage, the entity may also be provided a Supplemental Extended Reporting Period but only if the entity was also insured by the Company.

Upon termination of the claims-made policy, all named insureds shown on the Declarations page may purchase this coverage by giving the Company written notice of intent to purchase within 60 days following the termination date of their claims-made policy, and paying the appropriate premium.





- 4. Upon termination of coverage of the claims-made policy by reason of death, the deceased's unearned premium for this coverage will be waived and Supplemental Extended Reporting Period Coverage will be provided at no additional charge.
- 5. There will be no charge for Supplemental Extended Reporting Period Coverage under the following circumstances:
 - a. Insured meets the following Total Disability requirements:
 - Totally and continuously disabled for at least 6 months as a result of sickness or accidental bodily injury; and
 - A medical doctor (not insured, any other protected person, or member of insured's immediate family) must certify that insured is unable to perform the duties of insured's profession.
 - b. Insured meets retirement criteria displayed in the following table:

Continuous Yrs. Insured by Us on Claims-Made Basis	Minimum Age Requirement
5	60 or older
6	59
7	58
8	57
9	56
10	55

Example: An insured who elects to retire at age 59 with 6 or more years insured by us on a claims-made basis would receive Extended Reporting Period Coverage without premium charge.

- 6. Premium must be paid promptly when due. Premium may be paid in full at inception of coverage or in 3 installments.
- 7. In the event the claims-made policy is canceled, any return premium due the insured will be credited toward the premium for Supplemental Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the claims-made policy's Retroactive Date or effective date and the termination date, any monies received by the Company will first be applied to the premium owing for the claims-made policy and then to the Supplemental Extended Reporting Period Coverage Endorsement.
- 8. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins and no return premium is allowable.
- 9. The factors in the following table will be applied to the mature claims-made rate in effect at the inception of the last claims-made policy (the retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage):

Years of Prior	Installment Factors			Dronoid	
Claims-Made Coverage	1 st Year	2 nd Year	3 rd Yr	Prepaid Factors	
1	.31	.23	.36	0.79	
2	.51	.35	.46	1.23	
3	.61	.49	.46	1.45	
4 or more	.73	.49	.46	1.57	



10. The extended reporting period rating factors outlined in item 9. above reflect a reinstatement of limit applicable to the supplemental extended reporting period. When the limit for the supplemental extended reporting period is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.

11. The pricing for a supplemental extended reporting period for a dissolved entity is computed by applying the extended reporting rating factors outlined above to 10% of the mature claimsmade rate in effect at the inception of the last claims-made policy. When the limit for the supplemental extended reporting period pertaining to the Entity is not reinstated, a credit of 5% will be applied to the reinstated supplemental extended reporting period premium.

XIII.LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as coming from professional practice within the designated state. An exception will be allowed for those whose practice involves 25% or less of their practice time exposure coming from other states. Those whose practices involve more than 25% outside the designated state must be referred to the Company for underwriting approval and rating.

XIV. CALCULATION OF PREMIUM

The premium for the claims-made policy will be the sum of the applicable charges developed below.

- A. Professional Liability coverage is to be provided on a claims-made basis, and under the following rules:
 - 1. The ISO Dental Classifications, Definitions and Class Codes 80210 and 80211 do not apply.
 - 2. The following Classification Plan is to be used:

CLASS	DESCRIPTION
1	General Dentists or Specialists in Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Endodontics and Oral Pathology not otherwise classified in Class II* below.
	General Dentists or Specialists performing Conscious Sedation, Third Molar Extractions, Full-Mouth Banding (unless an Orthodontic Specialist). *
11	Any Dentist performing Implants involving Osseointegration. *
	General dentists or Specialists allowing Unconscious Sedation in the Dental Office, but only if the Sedation is administered by a Dental Medical Anesthesiologist.
	* No coverage is provided for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a Hospital.
Ш	Specialists in Dental Anesthesiology
IV	Specialists in Oral and Maxillofacial Surgery not included in Class V. (Administration of a general anesthetic intended to cause unconsciousness must be administered in a Hospital).
V	Specialists in Oral and Maxillofacial Surgery who administer, personally or by an employed/contracted Anesthesiologist, any General Anesthetic intended to cause unconsciousness if administered in a Dental Office.
VI	Dental School Faculty, Teaching Dentists, and Graduate Students (Intramural Activity)



VII Dental School Faculty, Teaching Dentists, and Graduate Students (No Intramural Activity)

VIII Full-time Undergraduate Dental Students (See definition below)*

- The annual claims-made rates for each dentist will be determined for Classes I through V only as follows:
 - a. If the dentist is just entering practice, the dentist has continuously been insured under an occurrence policy, or Prior Acts coverage is not being provided, enter the step rate factor from the Step Rate Factor Table at year one.
 - b. If the dentist has been insured under a claims-made policy for one or more years immediately preceding the effective date of the policy to be issued, or for reasons acceptable to the Company had been uninsured or self-insured, and Prior Acts coverage is being provided, the following procedure will apply:
 - Determine the number of years in which the dentist has been insured under a claimsmade policy;
 - (2) The number determined in a. and b. (1) above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - (3) The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b.(1) above. The additional year is to account for the new policy to be issued.
 - (4) The applicable factor in the Claims Made Step Factor **table** is to be applied to the full-time rate for the applicable class (I V) for the given territory.
 - c. The factors in the following table are to be applied to the full-time Class I through V rates for the given territory:

Classes Step Rate Factors						
	Year 1	Year 2	Year 3	Year 4	Year 5	
I through V	.32	.60	.81	.90	1.00	

d. For classes VI, VII and VIII Claims Made rates, refer to state rate page.

4. Additional Classifications:

- a. New Dentists: A dentist who has completed training and is new to the practice of dentistry within the 6 months prior to applying to the Company for coverage will have a 50% credit applied to the first year's premium and a 25% credit applied to the second year of practice If the new dentist discount applies, no additional credit is applicable..
- b. Corporations and Partnerships: Professional liability coverage may be provided for a dental entity (corporation or partnership) to cover liability arising from the practice of member dentists insured by the Company. Such coverage may be provided in one of the following ways:
 - (1) Entity may share in the policy limit written by the Company for the member dentist(s), in which case no additional premium will be charged.



^{*} Full-time Undergraduate Dental Students: Unlicensed students whose dental professional activity is limited to clinical practice while under supervision of licensed dental professionals (e.g., Faculty or practicing dentists) and which is a part of the curriculum of an accredited dental school may be written at premiums shown on the State Rate Page.

- (2) Entity may be provided its own limit of liability. The limit provided under this option must be equal to the highest limit carried by any individual insured member dentist. An additional premium charge of 10% of the total professional liability premium developed from all member dentists will be made.
- Additional Insureds (other than individual dentists, corporations and partnerships):
 Coverage may be extended to Additional Named Insureds for a charge of 5% of the policy's professional liability premium per additional insured.
- d. Disability and Leave of Absence: A dentist who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a reduced rate of 75% of the applicable full time rate for the period of disability or leave of absence. The reduced rate will apply retroactively to the first day of disability or leave of absence. Leave of absence may include professional education, sabbatical or maternity leave for example, but does not include vacation.
- e. Locum tenens: A Locum Tenens Endorsement may be provided for non- insured dentists who temporarily replace an insured dentist for a period up to 60 days each policy year. The Locum Tenens will share in the insured dentist's limit of liability. As a result there will be no additional premium charge.
- f. Part Time: A part time rate of 50% of the applicable full time rate will apply to any dental professional who works 20 hours or less per week. This credit will not apply if the professional is rated at the year one claims-made rate to which the new dentist credit has been applied. Only 25% credit will apply if the professional is rated at the year two claims-made rate to which the new dentist second year credit has been applied.
- g. Employed Dentist: A 10% additional premium charge will be made to an insured entity for each employed dentist not insured by Us for the additional vicarious liability assumed by the entity as a result of such situations.
- h. Employed Dentists: A factor of .80 will be applied to the applicable rate for all dentists who are employees of an insured dentist/dental office.
- B. General Liability, including coverage for Certified Acts of Terrorism as defined in the Terrorism Insurance Act of 2002, is provided at no additional premium.

XV. SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS

	Characteristic	Credit	Debit
A.	Schedule Rating – Based upon the following individual risk characteristics, the maximum credit or debit produced will not exceed 25%		
	Procedure Mix Applicable to those whose procedures or practices are primarily concentrated in areas other than their practice classification / specialty.	up to 10%	up to 10%
	 Exposure Modification Applicable to those whose practice or coverage has been modified to reflect an increased or decreased exposure. 	up to 10%	up to 10%
	Unusual Risk Characteristics	up to 10%	up to 10%
В.	Loss Control Education A credit will be applied to each dentist who attends a Company approved loss prevention workshop. This credit will be applied for 3 consecutive years.	5% to 10%	N/A



C. Experience Rating Based upon the claim history of an individual dentist over a preceding 5 year period, a debit not to exceed 75' may be applied to the dentist's rate for the first subsequent policy period. Criteria used to determine the application of such debits for the preceding 5 year claim history will include:	0 to 75%
Incurred lossesPaid lossesCause of reported losses	
Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.	

XVI. EXPENSE MODIFICATION

The policy premium contemplates standard allowances for expense. If expense varies from standard, the premium may be modified to reflect this difference.

XVII. CHANGE OF CLASSIFICATION

In the event that an insured changes their practice, resulting in a classification change, a charge reflecting the difference between the two classifications shall be calculated and collected at the time of change <u>unless</u>:

- A. both the prior and current classification fall within the same class;
- B. the classification change occurred more than 4 years ago and under a claims-made policy;
- C. the classification change occurred at a time when occurrence coverage was in effect.

The following procedure shall be used to determine the applicable surcharge, if any:

- A. Calculate the at-limits Supplemental Extended Reporting Period premium applicable for:
 - 1. the previous classification according to the rates and rules contained herein;
 - 2. the premium applicable for the current classification.
- B. If the at-limits Supplemental Reporting Period premium for the current classification:
 - 1. is less than the premium for the previous classification, the dollar difference is the surcharge to be applied.
 - 2. exceeds the premium for the previous classification, there shall be no charge.

XVIII. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer the insured various premium payment options, ranging from monthly to annual payment plans.

XIX. DIVIDEND OR PROFIT SHARING PLANS



The Company may agree with an association, purchasing group or similar organization to share profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the

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agreement with the organization to the policy by reference.

Any monies developed in accordance with any such agreement shall be made available to the insureds in accordance with the provisions of the agreement.

XX. BLANKET COVERAGE OPTION

All students, faculty, teaching dentists and graduate students in a single School of Dentistry may be written under one Blanket Policy if application is made and responsibility for coordination such as premium payment and claims reporting is assumed by the School. All individuals covered under this blanket option must carry the same limit. A separate limit applies to each individual named on the policy. Because of administrative savings realized in the inclusion of everyone under one policy, a 15% credit is applied to the total professional liability premium under the Blanket Coverage option.

XXI. CLAIM FREE CREDIT RULE

NOTE: The following rule is applicable to Dental Classes I through V only.

If no claim under this policy shall have been filed against an Insured, the Insured will be eligible for premium credits on the following schedule:

- 1. If insured by the Company and claim free for 3 years but less than 5, a 5% credit shall be applied to the next renewal.
- 2. If insured by the Company and claim free for 5 years but less than 8, a 10% credit shall be applied to the next renewal.
- 3. If insured by the Company and claim free for 8 years or more, a credit of 15% shall be applied to the next policy renewal.

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

Insureds converting coverage to the ACE USA Companies, who were claim free while insured by another carrier, may qualify for credit at the policy inception date in accordance with standard guidelines applicable to the Company's Insureds.



State Exceptions. Selected countrywide rules are amended as described below:

The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

- 1. For annual premiums up to and including \$80,000, a three-installment payment plan payable as follows:
 - a. an initial payment equal to 50% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception; and
 - c. a third payment equal to 25% of the premium due 4 months from policy inception.
- 2. For annual premiums in excess of \$80,000, a five-installment payment plan payable as follows:
 - a. an initial payment equal to 30% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception;
 - c. a third payment equal to 20% of the premium due 4 months from policy inception;
 - d. a fourth payment equal to 15% of the premium due 6 months from policy inception;
 - e. a fifth payment equal to 10% of the premium due 8 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

There are no interest charges or installment fees required with such payment plans.

II. XV. SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS, subsection C. Experience Rating, is deleted in its entirety and replaced by the following:

Bas pre app per	eceding 5 year period plied to the dentist's riod. Criteria used to	nistory of an individual dentist over a d, a debit not to exceed 25% may be rate for the first subsequent policy o determine the application of such g 5 year claim history will include:	<u>Credit</u>	<u>Debit</u>	d
1.	Number of reported	d claims: 0 to 3 4 to 6 7 to 10 10 or more		0% 5% 15% 30%	
2.	Loss ratio:	70% to 80% 81% to 90% 90% to 100% Over 100%		10% 15% 20% 30%	
3.	Cause of loss:	No more than 3 claims with same or similar cause of loss.		10%	

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More than 3 claims with same or similar cause of loss.

15%

Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.

Special Note: Total credit or debit produced will not exceed 25%: under XV. Supplemental Professional Liability Modifications.

- III. Rule XVI. EXPENSE MODIFICATION is deleted in its entirety.
- IV. Rule XIX. **DIVIDEND OR PROFIT SHARING PLANS** is deleted in its entirety.



DENTAL PROFESSIONAL LIABILITY MANUAL RATES

Rules Filing 2000-146 **Rate Filing 1996-039 Rule Filing 11-MR-2009465**

DEN-RATE-IL

Illinois

TERRITORY: I. Cook County

II. Dupage, Lake, Will Counties

III. Remainder of State

TABLE I

DENTIST CLASSIFICATIONS

\$1 MILLION/\$3 MILLION OCCURRENCE EQUIVALENT

DENTAL	TERRITORY I	TERRITORY II	TERRITORY III
CLASS			
CLASS I	2,212	1,598	1,474
CLASS II	2,765	1,997	1,843
CLASS III	3,180	2,297	2,119
CLASS IV	8,295	5,991	5,529
CLASS V	16,590	11,982	11,058

TABLE II

DENTIST SCHOOL FACULTY, TEACHING DENTISTS, GRADUATE ASSISTANTS AND **UNDERGRADUATE STUDENTS**

\$1 MILLION/\$3 MILLION CLAIMS-MADE RATES

DENTAL CLASS	TERRITORY I	TERRITORY II	TERRITORY III
CLASS VI	553	399	369
CLASS VII	277	200	184
CLASS VIII	138	100	92

TABLE III

POLICY LIMIT FACTORS (Limits are in Thousands)

AGGREGATE	100	200	500	1,000	1.500	2,000	3,000	4,000	5,000
300	0.667								
600		0.775	0.877						
1,000		0.789	0.891	0.980					
1,500		0.802	0.902	0.985	1.070				
2,000		0.816	0.912	0.990	1.075	1.133			
3,000		0.843	0.933	1.000	1.083	1.141	1.224		
4,000		0.871	0.954	1.019	1.103	1.160	1.244	1.314	
5,000		0.891	0.964	1.032	1.115	1.173	1.256	1.327	1.385
6,000								1.336	
7,000									1.410

